

**UNITED STATES BANKRUPTCY COURT
FOR THE
DISTRICT OF NEW HAMPSHIRE**

In Re: TRIKEENAN TILEWORKS INC. Debtor.	Chapter 11 Case No. 10-13725
In Re: TRIKEENAN HOLDINGS INC.	Chapter 11 Case No. 10-13726
In Re: TRIKEENAN TILEWORKS INC. OF NEWYORK Debtor.	Chapter 11 Case No. 10-13727 Jointly administered

**APPLICATION OF THE DEBTOR
FOR CONTINUED AUTHORITY TO USE CASH COLLATERAL**

NOW COMES Trikeenan Tileworks Inc. of New York, debtor and debtor-in-possession (“Debtor”), through counsel, pursuant to 11 U.S.C. Section 363, Bankruptcy Rule 4001(b) and LBR 4001 and requests an Order authorizing the continued use of cash collateral for the next sixty (60) days, or through December 31, 2010. In support of this motion, Debtor states as follows:

1. On August 30, 2010, Debtor filed a Chapter 11 petition with this Court.

Debtor. The two affiliates of the debtor, Trikeen Holdings Inc and Trikeen Tileworks Inc also sought Chapter 11 relief.

2. Pursuant to 28 U.S.C. Sections 157 and 1334, this Court has jurisdiction over this matter, and it is a core proceeding. Venue is proper pursuant to 28 U.S.C. sections 1408 and 1409. By Order dated August 31, 2010, this Court authorized the emergency use of cash collateral through September 25, 2010. By Order dated September 3, 2010, this Court entered an Order directing the joint administration of the above-captioned cases.

3. Debtor manufactures and sells tiles for use in building and interior design. The New Hampshire operation has focused on artisan and specialty tiles while the New York operation has historically manufactured higher volume, more industrial grade tile known as “field tile.” Unfortunately for the Debtor, the New York facility began operations in mid- 2008, just after a major investment in state of the art equipment and just before a devastating downturn in the economy. The resulting weakness in the building industry limited the debtor’s cash flow and hampered its ability to grow. The New York facility faces high equipment loan and rent expenses, and it also operates twenty- four hours a day resulting in high utility costs. By early 2010, Debtor was in arrears on both equipment loans and rent for the New York facility. Adverse legal action by the New York landlord forced the Debtor and its affiliates to seek Chapter 11 relief.

4. In addition to its manufacturing, the New Hampshire debtor handles all the marketing and sales, collects all accounts receivable and pays most expenses for both Trikeen NH and Trikeen NY. The operating expenses for the New York operation

are paid by Trikeenan Tileworks Inc, the New Hampshire debtor. The three debtors maintain a consolidated balance sheet, but they are able to identify inventory located in the New York facility and Accounts Receivable attributable to production in New York.

5. Steuben Trust and New York Business Development Corporation (the New York Creditors) assert liens on cash collateral.

6. During the sixty (60) days ending December 31, 2010, Debtors project cash receipts from NY production totaling \$100,000.

7. On the basis of monthly cash flow projections prepared by the Debtor, Debtor will need the use of approximately \$108,362,70 over the next sixty (60) day cash collateral period to meet necessary operating expenses attributable to New York. Attached hereto and incorporated by reference herein as Exhibit A is the Affidavit of Kristin Powers, President, indicating anticipated monthly cash flow and cash needs through December 31, 2010.

8. Without the use of cash collateral, Debtor will be unable to satisfy necessary insurance, utility, payroll, adequate protection, tax and other necessary operating expenses and will be unable to preserve the value of the Debtor's operation. To provide adequate protection of the security interest of the New York Creditors in cash collateral and to protect the interest of other creditors, Debtor needs to use the above-described cash collateral. Debtor requests the authorization to use up to \$108,362.70 in cash collateral from operations from November 1, 2010 through December 31, 2010.

9. The New York creditors hold interests in cash collateral. Pursuant to this Court's order dated September 27, 2010, the New York creditors have been granted

replacement liens in cash collateral attributable to New York operations and are entitled to regular reporting on levels of cash collateral.

10. As adequate protection, Debtor proposes to grant the New York creditors continuing replacement liens in cash collateral arising post-petition to the same extent and in the same priority as such lien existed on August 30, 2010. Debtor will also provide continued financial reporting in accordance with the existing order Authorizing the use of Cash Collateral.

11. The above liens will be granted by the Debtor without prejudice to the future rights of the Debtor, creditors and any creditors committee or other party in interest to challenge the validity, priority and enforceability of any such lien. This post-petition lien will also be subject to Debtor's future right to seek debtor-in-possession of financing pursuant to 11 U.S.C. §364.

WHEREFORE, Debtor respectfully requests:

- A. That this Court enter an order authorizing the Debtor to use up to a \$108,362.70 in cash collateral, in accordance with Debtor's cash flow projections, through the close of business on December 31, 2010, subject to the terms and conditions of this application;
- B. Such other and further relief as is just.

Respectfully submitted,

Trikeen Tileworks Inc. of New York

By its Attorneys,

BERNSTEIN, SHUR, SAWYER &
NELSON, P.A.

Date: 8 October 2010

By: /s/Jennifer Rood

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been mailed, first class, postage prepaid to the following parties:

Via ECF

Office of the U.S. Trustee
USTPRegion01.MR.ECF@usdoj.gov

Jennifer Rood on behalf of Debtor Trikeenan Tileworks Inc.
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Charles Powell Esq.

Eservice list

Date: 8 October 2010

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By: /s/Jennifer Rood
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